

California's Changing Dairy Landscape in 2005

California's Dairy Landscape Continued to Change in 2005 ... Total Number of Dairies Continues Sharp Decline



The shift of California's dairy landscape continued in 2005, with dairies relocating or going out of business at an increasing rate. In 2005 (compared to 2004), the Northern California and Southern California areas recorded a net loss of **79** dairies - while the Central California region showed a net gain of **14** dairies. These totals equate to a net of **65** California dairies either

closing their operations or moving out of state. San Bernardino and Riverside counties continued to lose dairies, accounting for a loss **28** dairies. The Northern California region recorded a loss of **49** dairies (with no counties reporting new dairy operations), compared to a loss of only **20** dairies in 2004. Over the past few years, the Central California region consistently recorded the largest increases in

dairy operations, for example, in 2004, this area gained **36** dairies (compared to 2003). The shift of dairy operations relocating to the Central California region over the last few years appears to be changing, with more dairies either ceasing to operate or move out of state in 2005.

California Production Cost Comparison, 5-Year

Production Cost 5-Year Comparison ^{1/}	2001 Average	2002 Average	2003 Average	2004 Average	2005 Average
Number of Herds	238	215	204	196	179
1. Feed Costs					
a. Dry Roughage	\$30.41	\$31.72	\$29.71	\$30.17	\$31.66
b. Wet Feed & Wet Roughage	\$15.30	\$15.06	\$15.85	\$17.64	\$20.18
c. Grain	\$49.49	\$50.48	\$51.97	\$55.91	\$58.53
d. Minerals & Supplements	\$4.99	\$5.85	\$5.91	\$6.47	\$6.38
e. Pasture	\$0.63	\$0.57	\$0.43	\$0.42	\$0.49
Total Feed Costs	\$100.82	\$103.68	\$103.88	\$110.62	\$117.24
Total Feed Costs (% of total Cost)	47.7%	47.3%	48.2%	49.5%	49.1%
2. Total Labor	\$23.85	\$24.88	\$26.10	\$26.84	\$27.46
Total Labor Costs (%of total cost)	11.3%	11.3%	12.1%	12.0%	11.5%
3. Herd Replacement	\$29.24	\$35.32	\$30.56	\$29.11	\$32.54
Total Replacement Costs (%of total cost)	13.8%	16.1%	14.2%	13.0%	13.6%
4. Operating Costs					
a. Utilities	\$4.66	\$4.68	\$4.56	\$4.33	\$4.45
b. Supplies	\$7.52	\$7.62	\$7.60	\$7.94	\$8.30
c. Veterinary & Medicine (incl. rBST)	\$6.78	\$6.78	\$6.82	\$6.38	\$7.37
d. Outside Services	\$3.25	\$3.19	\$3.12	\$3.16	\$3.41
e. Repairs & Maintenance	\$5.13	\$4.61	\$4.18	\$4.72	\$5.07
f. Bedding & Manure Haul	\$1.74	\$2.05	\$1.64	\$1.35	\$1.33
g. Tractors, Trucks, Fuel & Oil	\$3.10	\$3.04	\$3.00	\$3.31	\$3.52
h. Miscellaneous	\$0.41	\$0.36	\$0.69	\$1.13	\$1.20
i. Interest	\$7.72	\$5.88	\$5.65	\$6.09	\$6.88
j. Lease Expense	\$3.06	\$3.01	\$2.88	\$2.49	\$2.98
k. Depreciation	\$5.01	\$5.12	\$5.49	\$6.39	\$6.61
l. Taxes & Insurance	\$1.35	\$1.38	\$1.42	\$1.54	\$1.86
Total Operating Costs	\$49.73	\$47.72	\$47.05	\$48.85	\$52.99
Total Operating Costs (%of total costs)	23.5%	21.8%	21.8%	21.8%	22.2%
5. Milk Marketing Costs					
a. Hauling	\$4.60	\$4.66	\$4.77	\$4.86	\$5.26
b. State Assessments	\$2.32	\$2.18	\$2.24	\$2.35	\$2.35
c. Federal Assessments & Misc. Ded.	\$0.97	\$0.98	\$0.94	\$0.95	\$0.95
Total Milk Marketing Costs	\$7.89	\$7.83	\$7.96	\$8.16	\$8.55
Total Milk Marketing Costs (% of total costs)	3.7%	3.6%	3.7%	3.6%	3.6%
6. Total Milk Marketing Costs (\$/cwt.)	\$0.46	\$0.45	\$0.46	\$0.47	\$0.48
7. Total Cost (\$/Cow/Month)	\$211.53	\$219.43	\$215.55	\$223.57	\$238.77
8. Total Cost (\$/cwt)	\$12.24	\$12.61	\$12.44	\$12.75	\$13.43
9. Milk Production Data					
a. Adjusted Gross (\$/cwt.)	\$14.15	\$11.13	\$11.53	\$14.94	\$14.15
b. Milk Sold/Cow/Month (cwt.)	17.28	17.40	17.33	17.54	17.78
c. Gallons sold/Milk Cow/Day	7.72	7.76	7.70	7.76	7.87
d. Fat Test %	3.71%	3.71%	3.69%	3.70%	3.70%
e. SNF Test %	8.77%	8.77%	8.76%	8.80%	8.81%
f. Fat Sold/Milk Cow/Month (lb.)	74.98	75.40	74.25	75.09	76.05
g. SNF Sold/Milk Cow/Month (lb.)	177.11	178.08	176.36	178.71	181.27
10. Related Data					
a. Percent Dry Cows	14%	14%	14%	14%	14%
b. Yearly Cull Rate	33%	34%	36%	35%	35%
c. Avg. Value (\$/Drop Bull Calf)	\$79.79	\$50.88	\$62.20	\$102.78	\$135.28
d. Milk Cow Alfalfa Hay Price (\$/ton)	\$140.77	\$143.86	\$134.60	\$142.87	\$163.79
e. Grain, Mnrls & Splmnts (\$/ton)	\$141.46	\$145.38	\$152.71	\$161.65	\$163.57
f. Grain, Mnrls. & Splmnts. (lbs/mc/day)	29.12	29.17	28.46	28.69	29.59
g. Milkers (\$/hr with benefits & taxes)	\$11.93	\$12.54	\$13.28	\$13.19	\$13.33
h. Total Feed Costs (\$/Milk Cow/Day)	\$3.62	\$3.70	\$3.72	\$3.92	\$4.15
i. Milk Cow Feed Cost (\$/cwt.)	\$5.45	\$5.55	\$5.61	\$5.87	\$6.13
j. Milk Cows (average herd size)	751	780	884	817	866
k. Total Cows (average herd size)	827	865	963	946	1002
l. Mailbox Price (\$/cwt.)	\$13.89	\$10.99	\$11.49	\$14.79	\$13.95

^{1/} All costs: per cow per month, unless noted

California Production Cost Comparison

California Production Cost Comparison, 2005

Production Cost Comparison 2005 ^{1/}	2004 Average	North Coast	North Valley	South Valley	Southern California	2005 Average	Percent Change
Number of Herds	196	17	90	60	13	179	
1. Feed Costs							
a. Dry Roughage	\$30.17	\$39.08	\$30.81	\$31.23	\$36.92	\$31.66	4.9%
b. Wet Feed & Wet Roughage	\$17.64	\$8.36	\$21.89	\$20.42	\$13.46	\$20.18	14.4%
c. Grain	\$55.91	\$61.72	\$57.79	\$59.63	\$52.23	\$58.53	4.7%
d. Minerals & Supplements	\$6.47	\$1.77	\$7.19	\$6.07	\$6.30	\$6.38	-1.4%
e. Pasture	\$0.42	\$11.72	\$0.34			\$0.49	15.8%
Total Feed Costs	\$110.62	\$122.65	\$118.02	\$117.34	\$108.90	\$117.24	6.0%
Total Feed Costs (% of total cost)	49.5%	51.0%	49.8%	48.6%	48.0%	49.1%	
2. Total Labor	\$26.84	\$31.70	\$29.04	\$25.90	\$28.68	\$27.46	2.3%
Total Labor Costs (% of total cost)	12.0%	13.2%	12.3%	10.7%	12.6%	11.5%	
3. Herd Replacement	\$29.11	\$24.36	\$31.31	\$34.05	\$31.44	\$32.54	11.8%
Total Replacement Costs (% of total cost)	13.0%	10.1%	13.2%	14.1%	13.9%	13.6%	
4. Operating Costs							
a. Utilities	\$4.33	\$5.69	\$4.73	\$4.15	\$4.66	\$4.45	2.6%
b. Supplies	\$7.94	\$10.35	\$7.81	\$8.52	\$8.50	\$8.30	4.6%
c. Veterinary & Medicine (incl. rBST)	\$6.38	\$7.09	\$7.82	\$7.41	\$4.34	\$7.37	15.5%
d. Outside Services	\$3.16	\$2.94	\$3.55	\$3.41	\$2.77	\$3.41	7.8%
e. Repairs & Maintenance	\$4.72	\$6.45	\$5.14	\$4.75	\$6.65	\$5.07	7.4%
f. Bedding & Manure Haul	\$1.35	\$2.41	\$1.55	\$0.93	\$2.81	\$1.33	-1.6%
g. Tractors, Trucks, Fuel & Oil	\$3.31	\$4.14	\$3.48	\$3.77	\$1.45	\$3.52	6.5%
h. Miscellaneous	\$1.13	\$1.28	\$1.03	\$1.32	\$1.25	\$1.20	6.1%
i. Interest	\$6.09	\$2.22	\$3.16	\$10.01	\$5.78	\$6.88	13.0%
j. Lease Expense	\$2.49	\$3.01	\$3.31	\$2.56	\$4.43	\$2.98	19.4%
k. Depreciation	\$6.39	\$4.82	\$6.10	\$7.42	\$3.83	\$6.61	3.4%
l. Taxes & Insurance	\$1.54	\$1.76	\$1.95	\$1.80	\$1.87	\$1.86	20.8%
Total Operating Costs	\$48.85	\$52.18	\$49.64	\$56.04	\$48.33	\$52.99	8.5%
Total Operating Costs (% of total cost)	21.8%	21.7%	21.0%	23.2%	21.3%	22.2%	
5. Milk Marketing Costs							
a. Hauling	\$4.86	\$6.12	\$5.59	\$4.86	\$6.17	\$5.26	8.1%
b. State Assessments	\$2.35	\$2.44	\$2.39	\$2.32	\$2.28	\$2.35	0.0%
c. Federal Assessments & Misc. Ded.	\$0.95	\$0.82	\$0.92	\$0.96	\$1.01	\$0.95	0.0%
Total Milk Marketing Costs	\$8.16	\$9.39	\$8.90	\$8.14	\$9.46	\$8.55	4.8%
Total Milk Marketing Costs (% of total cost)	3.6%	3.9%	3.8%	3.4%	4.2%	3.6%	
6. Total Milk Marketing Costs (\$/cwt.)	\$0.47	\$0.59	\$0.50	\$0.45	\$0.56	\$0.48	3.4%
7. Total Cost (\$/Cow/Month)	\$223.57	\$240.28	\$236.91	\$241.47	\$226.82	\$238.77	6.8%
8. Total Cost (\$/cwt)	\$12.75	\$15.03	\$13.35	\$13.42	\$13.37	\$13.43	5.4%
9. Milk Production Data							
a. Adjusted Gross (\$/cwt.)	\$14.94	\$15.61	\$14.49	\$13.82	\$14.23	\$14.15	-5.3%
b. Milk Sold/Cow/Month (cwt.)	17.54	15.99	17.74	18.00	16.96	17.78	1.4%
c. Gallons sold/Milk Cow/Day	7.76	7.13	7.85	7.96	7.52	7.87	1.3%
d. Fat Test %	3.70%	3.81%	3.79%	3.64%	3.51%	3.70%	
e. SNF Test %	8.80%	8.82%	8.85%	8.79%	8.73%	8.81%	
f. Fat Sold/Milk Cow/Month (lb.)	75.09	71.00	77.90	75.80	69.12	76.05	1.3%
g. SNF Sold/Milk Cow/Month (lb.)	178.71	164.45	181.72	183.05	171.72	181.27	1.4%
10. Related Data							
a. Percent Dry Cows	14%	14%	14%	14%	14%	14%	
b. Yearly Cull Rate	35%	32%	34%	35%	34%	35%	
c. Avg. Value (\$/Drop Bull Calf)	\$102.78	\$113.58	\$115.12	\$151.38	\$129.22	\$135.28	31.6%
d. Milk Cow Alfalfa Hay Price (\$/ton)	\$142.87	\$164.97	\$170.24	\$160.45	\$152.25	\$163.79	14.6%
e. Grain, Mnrls & Splmnts (\$/ton)	\$161.65	\$206.64	\$167.65	\$160.30	\$150.86	\$163.57	1.2%
f. Grain, Mnrls. & Splmnts. (lbs/mc/day)	28.69	23.07	28.78	30.61	29.19	29.59	3.2%
g. Milkers (\$/hr with benefits & taxes)	\$13.19	\$12.57	\$14.30	\$12.40	\$16.72	\$13.33	1.1%
h. Total Feed Costs (\$/Milk Cow/Day)	\$3.92	\$4.39	\$4.18	\$4.14	\$3.86	\$4.15	5.7%
i. Milk Cow Feed Costs (\$/cwt.)	\$5.87	\$7.16	\$6.19	\$6.05	\$5.98	\$6.13	4.3%
j. Milk Cows (average herd size)	817	282	665	1,359	730	866	6.0%
k. Total Cows (average herd size)	946	329	770	1,573	847	1,002	6.0%
l. Mailbox Price (\$/cwt.)	\$14.79	\$15.26	\$14.35	\$13.60	\$13.89	\$13.95	-5.7%

^{1/} All costs: per cow per month, unless noted
Definitions for line items see (Appendix A)